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16 June 1961

MEMORANDUM FOR THE RECORD:

SUBJECT: Accounting for Obligations and Expenditures Under  
Contracts XG-2222, RD XG-2156, and XG-2294.

1. A meeting was held in the Office of the Deputy Comptroller on 14 June 1961 relative to the processing and accounting for the obligations and expenditures under subject contracts which are for the Walnut Activity. The following were in attendance at the meeting:

Deputy Comptroller

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g Chief, Contract Branch/OL  
Contracting Officer, OL  
Budget Officer, RI/DDP  
Office of Executive Officer, DD/P  
Fiscal Division, O/C

2. Originally the Walnut Activity, Contract RD-120, was classified and payments under the contract were processed by the Finance Division. However in October 1958 the Activity was declassified and an unclassified Contract XG-2222 replaced Contract RD-120.

3. Contracts XG-2222, RD-XG-2156, and XG-2294 are held by the Fiscal Division and all payments thereunder to this date have been made by the Fiscal Division after the invoices have been approved by ICAD. The allotments for these contracts for fiscal year 1960 and prior years have been on unvouchered funds and payments made against these allotments have been transferred to the Finance Division through Account No. 137.

4. Comptroller policy, effective 1 July 1960, limited payments made by the Fiscal Division against unvouchered allotments to payments made to other U. S. Government Agencies for fiscal year 1961 and subsequent years allotments. Subject contracts now have amendments which are chargeable to 1961 unvouchered allotments. Payments against these allotments cannot be made by the Fiscal Division for transfer to the Finance Division through Account 137.

5. It was agreed at this meeting that:
- a. Payments made under these contracts against obligation for 1960 and prior years would be made by the Fiscal Division and would be transferred to the Finance Division through Account No. 137.
  - b. Amendments to subject contracts chargeable against fiscal year 1961 and subsequent years would be obligated against vouchered funds allotments. Payments made against these obligations to be charged to the vouchered funds allotments.
  - c. Inasmuch as invoices from the Contractor cannot be separated by fiscal years all payments made under subject contracts will be charged against the oldest outstanding obligation at the time payment is made.



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Orig. & 1 - Front Office's File  
1 - Claims Branch  
1 - Accounting Branch  
1 - FPB